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**A Constructive Criticism**  
**OF THE**  
**United States**  
**War Tax Bill**

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A constructive criticism of the United S



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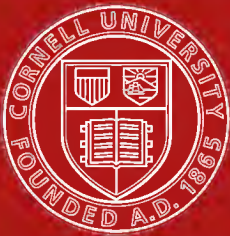
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**National Bank of Commerce**  
**in New York**

**JUNE, 1917**

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## Foreword

A somewhat extensive study of bonds and taxation recently published by the National Bank of Commerce in New York under the title "War Finance Primer," attracted such favorable attention on the part of officials of the Government, professors of economics and thoughtful men of affairs that we have continued to follow the subject very closely with a view to the publication of supplementary material which would be of use to students of public finance.

In the prosecution of a great war the people can be protected from unlimited discomfort and even suffering by a wise fiscal policy on the part of the Government. We believe that the members of the Senate and House of Representatives are eager to place upon the statute books measures which will not only keep the country at its highest efficiency during the course of the war, but which will also enable the people to do their part without crippling their effectiveness after the war is over.

In the "War Finance Primer" above referred to there appeared a thoughtful article by Professor E. R. A. Seligman of Columbia, setting forth in general terms the policy with regard to bonds and taxation which seemed best adapted to our present needs. Since that time Professor Seligman has written two articles developing the subject more fully, and with especial reference to the bill now before Congress. These articles appeared in the New York Times and are here reprinted with permission.

We are confident that your Senators and Representatives, who are at this moment putting into form bills of the very greatest importance touching on the subject of war taxation, would welcome constructive expressions of opinion from readers of these articles.

JAMES S. ALEXANDER,  
President.



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Trans. from  $\frac{1}{2}$  1911; 5/20/96; 245

## I.

# How Much Should Be Raised by Taxation?

By EDWIN R. A. SELIGMAN

McVickar Professor of Political Economy, Columbia University

On May 23, 1917, the House of Representatives passed an act "to provide revenue to defray war expenses and for other purposes."\* In the original bill as presented by the Committee of Ways and Means, the additional revenue to be derived was estimated at \$1,810,420,000. The amendment to the income tax, which was tacked on to the bill during the discussion in the House, was expected to yield another \$40,000,000 or \$50,000,000.

In discussing the House bill, two problems arise:

- I. How much should be raised by taxation?
- II. In what manner should this sum be raised?

## I. How Much Should Be Raised by Taxation?

The question at once presents itself: How was the figure of \$1,800,000,000 arrived at? The answer is simple. When the Secretary of the Treasury came to estimate the additional war expenses for the year 1917-18, he calculated that they would amount to some \$6,400,000,000, of which \$3,000,000,000 was to be allotted to the Allies, and \$3,400,000,000 was to be utilized for the domestic purposes. Thinking that it would be a fair proposition to divide this latter sum between loans and taxes, he concluded that the amount to be raised by taxes was \$1,800,000,000.

In this calculation there are two interesting assumptions: First, that the total expenditures would amount to \$6,400,000,000, and, second, that a proportion of half and half is desirable.

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\*H. R. 4280, 65th Congress, 1st Session.

Both of these assumptions may be challenged. In the first place, it is clear that the advances to the Allies will greatly exceed the sums originally estimated. In an article which was published almost a month ago I estimated that the total war expenditures for the year would amount to some \$10,000,000,000. The accuracy of this estimate now seems to be confirmed. For it has become very probable that the \$3,000,000,000 allotted to the Allies will not suffice, and that we must advance additional sums before the year is over. In considering this fact, however, it must be remembered, that money advanced to the Allies constitutes only an advance and that the principal of the debt, together with possible arrears of interest, will ultimately be repaid. The real problem, therefore, still remains: What proportion of the internal or domestic debt is to be defrayed by taxes?

There are two extreme theories, each of which may be dismissed with scant courtesy. The one is that all war expenditures should be defrayed by loans, and the other is that all war expenditures should be defrayed by taxes. Each theory is untenable.

The loan-only policy is impracticable for two reasons. If Government loans are not supported by an amount of taxation at least adequate to pay the interest on the new loans, the credit of the Government will suffer. It will have to borrow at progressively higher rates of interest until finally it will not be able to borrow at all. The only guarantee of being able to continue to borrow during a protracted war is to maintain the credit of the country by liberal taxation.

The second argument against complete reliance upon loans is that you are only putting off the evil day. For the Government, like a private individual, must ultimately pay its debts, and can do so only through taxation. The

danger, however, of contracting debt entirely or inadequately supported by taxes is that the debt will remain as an incubus on the community. A nation which must be prepared for the recurrence of wars would be foolhardy to attempt to raise all of its war expenditures by loans.

But if the loan-only policy is erroneous, the tax-only policy is equally extreme. The "pay-as-you-go" policy, even in peace time—the policy, namely, of defraying capital expenditures out of current social income through taxation—is legitimate only to the extent that the capital expenditures are of a recurring nature like new schools and new pavements. But where the capital expenditures are extraordinary and not expected to recur, as, for instance, in the case of the new Court House or the subways, in New York, the "pay-as-you-go" policy is open to criticism. For it puts a crushing burden upon the taxpayers in the particular year when the improvement is made, although the benefits of the expenditure accrue largely to future taxpayers. And in the second place, the fear of this burden upon the present taxpayers will induce them to employ every device to prevent the outlays that are really needed. Even in peace times, therefore, loans are legitimate for extraordinary capital expenditures.

In war time, however, the argument is still stronger. It is indeed true that the burdens of the war should be borne by the present rather than the future generation; but this does not mean that they should be borne by this year's taxation. Meeting all war expenses by taxation makes the taxpayers in one or two years bear the burden of benefits that ought to be distributed at least over a decade within the same generation. In the second place, when expenditures approach the gigantic sums of present-day warfare, the tax-only policy would require more than the total surplus of social income. Were this absolutely

necessary, the ensuing havoc in the economic life of the community would have to be endured. But where the disasters are so great and at the same time so unnecessary, the tax-only policy may be declared impracticable.

If, then, war expenditures cannot be defrayed entirely from loans or entirely from taxes, the problem remains, what should be the proportion between loans and taxes?

It is easily to be seen why Secretary McAdoo shrank from placing an undue reliance upon loans. He had before him the warning example of Secretary Chase during the civil war, whose undue reliance on loans soon compelled the Government to resort to the fatal expedient of greenbacks, from which it took us fifteen years to extricate ourselves. Secretary McAdoo had the right instinct and highly commendable courage in deciding that a substantial portion, at least, of the revenues should be derived from taxation. But when he hit upon the plan of 50-50 per cent., that is, of raising one-half of all domestic war expenditures by taxes, the question arises whether he did not go too far.

The relative proportion of loans to taxes is after all a purely business proposition. Not to rely to a large extent on loans at the outset of a war is a mistake. Modern business is based upon credit. To abandon the use of credit is to revert to primitive economic conditions and to lessen social productivity. When a railway desires to make an extraordinary expenditure for equipment it does not pay for all of this at once—for that would bankrupt the railway. It issues short equipment notes payable annually, thus spreading the payment over perhaps a decade. So the merchant who desires a great extension in his business resorts to borrowed money. Of course the railway, like the merchant, can borrow on easy terms only in case some of the current surplus earnings are also available. In the

same way the Government, which is nothing but a great business enterprise, cannot afford to refrain from utilizing credit in an emergency. To attempt to go on without substantial reliance on loans would be to abandon all the advantages of modern business economy. But, as in the case of the merchant and the railway, the loans incurred by the Government must be proportioned to its earning capacity, that is, its taxes. If too low taxes are levied its credit will suffer; if too high taxes are levied the social productivity will suffer. High taxes should, indeed, be levied; that is the part of prudence. But taxes ought to be imposed only up to this margin of danger line which marks the impairment of social productivity. In the first year of a great war, where the maintenance of stable business conditions is of the utmost importance, a large part of the war expenditures should come from loans. To do otherwise would be to fly in the face of business practice.

The disadvantages of excessive taxes at the outset of the war are as follows:

1. Excessive taxes on consumption will cause popular resentment.

2. Excessive taxes on industry will disarrange business, damp enthusiasm, and restrict the spirit of enterprise at the very time when the opposite is needed.

3. Excessive taxes on incomes will deplete the surplus available for investments and interfere with the placing of the enormous loans which will be necessary in any event.

4. Excessive taxes on wealth will cause a serious diminution of the incomes which are at present largely drawn upon for the support of educational and philanthropic enterprises. Moreover, these sources of support would be dried up precisely at the time when the need would be greatest. A Government already strained by

the necessity of immediately adopting many new functions for war purposes would be compelled to assume a number of additional functions now performed through private individuals. The difficult and hasty transition from private to public activities would in all probability entail a considerable loss and would seriously cripple the efficiency of our war activities.

5. Excessive taxation at the outset of the war will reduce the elasticity available for the increasing demands that are soon to come.

The 50 per cent.-50 per cent. policy is one which has never even been remotely approached by any country in the world. It is difficult to see what reasons exist in the United States to warrant the adoption of such a course. Take Great Britain as an example. During the first year of the war she increased taxes only slightly, in order to keep industries going at top notch. During the second year she raised by new taxes only 9 per cent. of her war expenditures. During the third year she levied by additional taxes (over and above the pre-war level) only slightly more than 17 per cent. of her war expenses. This is apparent from the following table:

	1913-1914.	1914-1915.	1915-1916.	1916-1917.
Customs.....	£35,569,000	£38,662,000	£59,606,000	£70,561,000
Excise.....	39,658,000	42,313,000	61,210,000	56,380,000
Estate duties.....	27,165,000	28,382,000	31,035,000	31,232,000
Stamps.....	9,983,000	7,577,000	6,764,000	7,878,000
Income tax.....	47,241,000	69,399,000	128,320,000	205,033,000
Excess profits.....			188,000	139,920,000
Land, house and land value.....	3,418,000	2,972,000	2,983,000	3,100,000
All taxes.....	£163,035,000	£189,305,000	£290,106,000	£514,077,000
Non-tax revenue...	35,288,000	37,389,000	46,660,000	59,349,000
Total.....	£198,323,000	£226,694,000	£336,766,000	£573,426,000
Total expenditure..	197,493,000	557,000,000	1,559,000,000	2,198,000,000
War expenditure.....		358,000,000	1,360,000,000	2,000,000,000
Increased taxes.....		25,000,000	127,000,000 (or 9.3%)	350,000,000 (or 17%)
Increased taxes and non-tax rev.		27,000,000	138,000,000 (or 10%)	375,000,000 (or 18½%)

Is there not a wide discrepancy between the 17 per cent. imposed by Great Britain in the third year of war and the 50 per cent. sought to be imposed in the first year of our war?

Even if we assume that our total war expenses the first year will be \$10,000,000,000, and if we disregard entirely the fact that the major part of this is nothing but advances to the Allies, it still remains true that the \$1,800,000,000 sought to be imposed by taxation is 18 per cent. of the whole, and that we start out with a figure that has been reached by Great Britain only after three years of war. The comparison may be put in another way. The revenue from existing tax laws in the United States will this year be \$1,300,000,000. This added to the \$1,800,000,000 of the House bill makes a tax revenue of \$3,100,000,000 to cover an expenditure for all purposes of some eleven and a half billion dollars. In Great Britain, on the other hand, during the last year the total expenditure was about eleven billions, and the total raised by all taxes new and old, amounted to only \$2,570,000,000 (£514,000,000.) That is to say, in order to cover about the same governmental outlays as Great Britain we propose to raise by taxation over \$500,000,000 more than she does, and we attempt to do this in the first year of the war, whereas she did it only in the third year.

Is it not clear from the above recital that the House bill endeavors to secure an undue proportion of the total expenditure from taxation? And when the endeavor to secure this excessive sum carries with it the need of imposing so many petty and restrictive taxes, the conclusion becomes irresistible.

If we should attempt to do as much in the first year of the war as Great Britain did in the third year it would suffice to raise by taxation \$1,250,000,000. If, in order to

be absolutely on the safe side, it seemed advisable to increase the sum to \$1,500,000,000, this should, in our opinion, be the maximum. To insist upon the \$1,800,000,000 of the House bill would be as unwise as it is unnecessary. It is sincerely to be hoped that the Senate Finance Committee will hold out firmly against the proposition which has been accepted, with so little critical analysis, by the House.

## II.

### **How Shall the Taxes be Apportioned?**

In considering the apportionment of the extraordinary burden of taxes in war times certain scientific principles are definitely established:

(1) The burden of taxes must be spread as far as possible over the whole community so as to cause each individual to share in the sacrifices according to his ability to pay and according to his share in the Government.

(2) Taxes on consumption, which are necessarily borne by the community at large, should be imposed as far as possible on articles of quasi-luxury rather than on those of necessity.

(3) Excises should be imposed as far as possible upon commodities in the hands of the final consumer rather than upon the articles which serve primarily as raw material for further production.

(4) Taxes upon business should be imposed as far as possible upon net earnings rather than upon gross receipts or capital invested.

(5) Taxes upon income which will necessarily be severe should be both differentiated and graduated. That is, there should be a distinction between earned and unearned incomes and there should be a higher rate upon the larger incomes. It is essential, however, not to make the income rate so excessive as to lead to evasion, administrative difficulties, or to the more fundamental objections which have been urged above.

(6) The excess profits which are due to the war constitute the most obvious and reasonable source of revenue

during war times. But the principle upon which these war-profit taxes are laid must be equitable in theory and easily calculable in practice.

Tested by the above principles the House bill sins in numberless respects.

Title 1 includes the income taxes, both new and retroactive. The retroactive tax is clearly inequitable. It applies to corporations and individuals alike, and it seeks in the case of corporations to tax something which is non-existent, for the 1916 corporate earnings have been for the most part distributed in the shape of dividends.

The additional income tax as passed by the House runs up to a rate of 60 per cent. This is a sum unheard of in the history of civilized society. It must be remembered that it was only after the first year of the war that Great Britain increased her income tax to the maximum of 34 per cent., and that even now in the fourth year of the war the income tax does not exceed  $42\frac{1}{2}$  per cent. It could easily be shown that a tax with rates on moderate incomes substantially less than in Great Britain, and on the larger incomes about as high, would yield only slightly less than the \$532,000,000 originally estimated in the House bill. It is to be hoped that the Senate will reduce the total rate on the highest incomes to 34 per cent. or at most to 40 per cent., and that at the same time it will reduce the rate on the smaller incomes derived from personal or professional earnings. If the war continues we shall have to depend more and more upon the income tax. By imposing excessive rates now we are not only endangering the future, but are inviting all manner of difficulties which even Great Britain has been able to escape.

Title 2 is the excess-profits tax. Unfortunately, the House contented itself with doubling the rate of the existing tax, which is 8 per cent. on the surplus over 8 per cent.

of the invested capital. This has given rise to much discontent, for not only is the restriction of earnings to 8 per cent. unjustifiable, but the criterion of capital invested creates all manner of inequalities, injustice, and administrative difficulties. If we are to have an excess-profits tax it should be levied on the excess over profits secured in the period before the war.

Strictly speaking the tax ought to be limited to industries which have dealt in war materials. The difficulty, however, is to distinguish between those industries directly and indirectly affected by the war. Increase in the output of finished products utilized in warfare means an augmented demand for the raw material, and in one way and another the impetus created by the war's demands affects industries in general. The difficulty, therefore, of distinguishing between war profits and other profits becomes so great as to warrant an extension of the war-profit tax to virtually all excess profits. The pre-war period should, indeed, be an average of, say, three to five years. But what pre-war period should be taken? Should we take an average of the three years before the European war or an average of the three years before our entrance into the war? If the period before our own entrance into the war is selected it will be urged by some that the average obtained is too high and that we have not taken sufficient account of the large profits of the last year or two. We must remember, however, that we are only fixing a base, the excess over which is to be taxed. Obviously, it fits existing conditions better to fix that base as near as possible to the period the profits of which are to be taxed. If we took the years 1912-13-14, the administrative difficulty of assessing plants started since 1914, as well as of measuring the earnings of the then existing plants by the side of the now existing plants, would be much greater

than if we took the years 1914-15-16. It must not be forgotten that the last three years in this country have been epoch-making, so far as industrial growth is concerned. The exports of America have increased from \$2,465,884,149 in 1913 to \$4,333,658,865 in 1916. For the ten months of the present fiscal year ending April 31 the total exports were \$5,167,000,000. A tremendous amount of additional plant facility has been required to produce the goods which have gone into those exports. It would seem, therefore, that the best base would be, say, the three years 1914-15-16. Of these only the last was an abnormal year. The 1915 year was a year of rapidly rising earnings; the year 1914 was the worst year in our recent history. If these three years were deemed not to constitute a fair average, the years 1912 and 1913 might be added, making the base the five-year period from 1912 to 1916, inclusive.

In any case, whatever base is taken, it would be essential not to discourage increase in plant capacity at a time that it is sorely needed by the Government. Therefore, some allowance should be made for the additions to plant which will be producing the earnings of 1917 and subsequent years.

It makes, however, little difference as a producer of revenue which one of the two average periods is selected. A careful estimate has shown that if the three-year period before the outbreak of the great war were selected, the profits of 1916 in excess of the average of the three-year period before 1914 would amount to some three and a half billions of dollars, so that every 10 per cent. of tax would yield about \$350,000,000. On the other hand, if the three-year period before our entrance into the war were taken, a rate of at least double the amount would be necessary to yield the required sum. Whatever be finally decided upon with reference to the criterion, it is to be hoped

that the rate will be so adjusted as to yield at least \$500,000,000 revenue from the excess-profits tax.

Titles 3 and 4 deal with liquors and tobacco, which are universally conceded to be proper objects of additional taxation. Title 5 includes the tax on transportation, electric lights and gas, telegraph and telephones, advertising and insurance. To this title there are serious objections. The tax on electricity and gas is a tax upon what has become in modern times a prime necessity. A tax on insurance is a tax on thrift. A tax on advertising is from many points of view injudicious. The passenger tax, calculated to yield \$65,000,000, is perhaps the least burdensome of the set; but the tax on freight and express, calculated to yield \$90,000,000, ought to be imposed only in the case of urgent necessity.

Title 6 contains as the most important element the automobile tax. The bill bases the tax upon the erroneous principle of gross receipts from sales. It is far better to levy an excise or consumption tax, according to one of two criteria, either horse power or selling value. The advantage of horse power is that it can be absolutely determined by standard formulas. The advantage of selling value is that automobiles with the same horse power sometimes vary considerably in price. On the other hand, the disadvantage of value as a test is to be found in the case of used cars. Perhaps the best test would be a combination of the two criteria—selling value in the case of cars that have been purchased within the year, and horse power in the case of those used for a longer period.

The other items in Title 6 are of comparative insignificance. No one should object to a tax on proprietary medicines and perfumes, although in pursuance of the fundamental principle explained above it would be better to levy it in the shape of a stamp tax. The tax on musical

instruments is not unjustifiable. It is questionable, however, whether the tax on motion picture films might not wisely be replaced by a tax on admissions to the motion pictures themselves. The tax on jewelry is defensible as a tax on luxurious expenditure.

Title 7, covering admissions and club dues, is fairly satisfactory. The revenue to be expected from club dues has, in all probability, been seriously underestimated, and it might be desirable for that reason to impose a smaller rate of tax.

Title 8 includes stamp taxes designed to yield about \$33,000,000. This errs on the side of exclusion. There is no reason why a tax on bank checks should not be included. The objection arising from the fact that in the South it is customary for the farmers to pay even very small bills by checks can be overcome by making the tax applicable only to checks over a fixed amount like a dollar.

Title 9 is the war estate or inheritance tax. Opposition has developed to this tax because of the existence of inheritance taxes in the separate States. This, however, seems to be an inadequate reason for the disappearance of a tax which is a peculiarly fit resource for extraordinary or capital expenditures. It would indeed be necessary to adjust the relations between the nation and the separate States, but this adjustment is becoming increasingly desirable in many other imposts besides the inheritance tax. The revenue that is anticipated from this tax is so slight, however, that it may be passed over.

Title 10 imposes a 10 per cent. flat increase on all imported articles, and is calculated to yield \$200,000,000. It needs but the slightest reflection to show that this tax—which was only an afterthought with the Ways and Means Committee—is completely indefensible. It levies a tax upon certain articles now on the free list, which ought

always to remain on the free list; it imposes a burden on certain raw materials which will have the most injurious and unlooked-for results upon industry; it levies a tax which, in some instances, will be of such a highly protective nature that it may call into existence industries which will be dependent upon a continuance of the tariff after the war is over. It has, in short, all the earmarks of an unconsidered hodge-podge. If, as it may become necessary, a certain additional revenue is desirable from customs, the committee ought certainly to begin with purely revenue taxes like those on tea and coffee. It is much to be desired also that if the tax on sugar be found requisite, it be imposed in the shape of an excise rather than of a customs duty. For owing to the fact that a certain proportion of our sugar supply enjoys a preferential rate, and owing to the further fact that an increase in the tax on imported sugar would mean a rise in the price of all sugar, beet as well as cane, the imposition of customs duties would inevitably take out of the pocket of the consumer far more than it would bring into the Treasury. Such a tax would, therefore, sin against a cardinal rule of taxation.

Title 11, dealing with the Virgin Island products, calculated to yield only \$20,000, may be passed by. We come finally to Title 12, with the much debated taxes on mail matter. Some increases in the charges on second-class mail matter may indeed be abstractly defensible. But the proposition itself is open to doubt, and this is, of all times, the most inopportune to attempt to introduce a new scheme. It does not follow that because second-class mail matter is not self-supporting the rates ought to be increased. The European Governments all try to make money out of their mail service; the United States has always pursued the contrary practice. As President

Grant pointed out over a generation ago, cheap communication by mail is an adjunct to democracy. In large parts of this country the periodical literature supplies the chief source of community education. To do away with classification in the railway system would introduce an economic revolution. Greatly to increase the second-class mail matter rates might produce almost equally undesirable consequences.

The augmented rates on first-class mail are not so unjustifiable, but even these ought to be levied only in case of urgent necessity.

## Conclusion

From the above review it will be seen that the House bill is open to the most serious criticism. Entirely apart from the fact that it is predicated upon an erroneous theory of attempting to raise too much by taxation, the measure bears evidence of undue haste in its consideration, perhaps excusable because of the exigency of the situation. Its fundamental defects may be summed up as follows:

(1) It pursues an erroneous principle in imposing retroactive taxes.

(2) It selects an unjust and unworkable criterion for the excess-profits tax.

(3) It proceeds to an unheard-of height in the income tax.

(4) It imposes unwarranted burdens upon the consumption of the community.

(5) It is calculated to throw business into confusion by levying taxes on gross receipts instead of upon commodities.

- (6) It fails to make a proper use of stamp taxes.
- (7) It follows an unscientific system in its flat rate on imports.
- (8) It includes a multiplicity of petty and unlucrative taxes, the vexatiousness of which is out of all proportion to the revenue they produce.

The Senate has a great opportunity to effect a reform which will be at once democratic and equitable. The fundamental lines on which the Senate ought to proceed have been indicated above. They are summed up herewith:

(1) The amount of new taxation should be limited to \$1,250,000,000—or at the outset to \$1,500,000,000. To do more than this would be as unwise as it is unnecessary. To do even this would be to do more than has ever been done by any civilized Government in time of stress.

(2) The excess-profits tax based upon a sound system ought to yield about \$500,000,000.

(3) The income-tax schedule ought to be revised with a lowering of the rates on earned incomes below \$10,000, and with an analogous lowering of the rates on the higher incomes, so as not to exceed 34 per cent. A careful calculation shows that an income tax of this kind would yield some \$450,000,000 additional.

(4) The tax on whisky and tobacco ought to remain approximately as it is, with a yield of about \$230,000,000.

These three taxes, together with the stamp tax at even the low rate of the House bill, and with an improved automobile tax, will yield over \$1,250,000,000, which is the amount of money thought desirable. If it becomes necessary to raise another \$250,000,000 it can be done in the

following order: The tax on admission and club dues, yielding \$75,000,000; import duties on tea and coffee, yielding about \$50,000,000, and an excise tax on sugar, yielding about \$40,000,000. The small balance could then be raised by a revised tax on freight transportation and on first-class mail matter.

The above program would be in harmony with an approved scientific system. It will do away with almost all of the complaints that are being urged against the present. It will refrain from taxing the consumption of the poor. It will throw a far heavier burden upon the rich, but will not go to the extremes of confiscation. It will obviate interference with business and will keep unimpaired the social productivity of the community. It will establish a just balance between loans and taxes and will not succumb to the danger of approaching either the tax-only policy or the loan-only policy. Above all, it will keep an undisturbed elastic margin, which must be more and more heavily drawn upon as the war proceeds. It will make the war loans a success and will not damp the enthusiasm of the community. It will, in short, satisfy all the requirements of a wise fiscal policy in a period of storm and stress. Our Senators have now an opportunity of showing their true statesmanlike qualities and of proving to the world that a democracy can also pursue a fiscal policy which is both sane and progressive.

# National Bank of Commerce in New York

ORGANIZED 1839

## *President*

James S. Alexander

## *Vice-Presidents*

R. G. Hutchins, Jr.

Stevenson E. Ward

Herbert P. Howell

John E. Rovensky

J. Howard Ardrey

Guy Emerson

## *Cashier*

Faris R. Russell

## *Assistant Cashiers*

A. J. Oxenham

John J. Keenan

William M. St. John

Gaston L. Ghegan

Louis A. Keidel

A. F. Broderick

A. F. Maxwell

Everett E. Risley

H. P. Barrand

## *Auditor*

Richard W. Saunders

## *Manager Foreign Department*

Franz Meyer

## Statement of Condition

May 1, 1917

### RESOURCES

Loans and Discounts	- - - - -	\$213,573,592.25
Bonds, Securities, etc.	- - - - -	32,203,265.01
Banking House	- - - - -	2,000,000.00
Due from Banks and Bankers	- - - - -	32,378,420.92
Cash, Exchanges and due from Federal Reserve Bank	- - - - -	103,069,036.72
Customers' Liability under Letters of Credit, Acceptances, etc.	- - - - -	29,590,321.58
Interest Accrued	- - - - -	704,794.53
		<hr/>
		\$413,519,431.01

### LIABILITIES

Capital, Surplus and Undivided Profits	- - - - -	\$ 44,850,500.65
Deposits	- - - - -	338,068,215.86
National Bank Notes outstanding	- - - - -	155,000.00
Letters of Credit and Acceptances	- - - - -	26,912,426.24
Unearned Discount	- - - - -	790,516.86
Other Liabilities	- - - - -	2,742,771.40
		<hr/>
		\$413,519,431.01





